

# Office of Attorney General Terry Goddard



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**FOR IMMEDIATE RELEASE**

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## **Man Receives Seven-Year Prison Term for Securities Fraud**

(Phoenix, Ariz. – May 16, 2006) Attorney General Terry Goddard today announced that Rex E. Kuhn, 39, was sentenced to seven years in prison and ordered to pay restitution of \$1.6 million for securities fraud. Kuhn was sentenced Friday by Maricopa County Superior Court Judge James H. Keppel after pleading guilty in January to the felony charge.

Between May 1999 and August 2004, Kuhn conducted business in Mesa as "Unity Financial, LLC." He persuaded friends and relatives to lend him \$2.1 million in return for promissory notes. Kuhn told investors he would use the money for day trading and would repay it with guaranteed interest, usually 20 percent. Many of Kuhn's victims were elderly, and several lost all or most of their life savings.

Kuhn, now living in Lindon, Utah, told his investors he was a successful trader when in fact he continually lost money in the stock market. The only way he was able to pay interest or principal to old investors was to obtain money from new investors. Kuhn was not registered with the Arizona Corporation Commission as a securities salesman, and Unity Financial was not registered as a securities broker/dealer.

In August 2004, Kuhn and Unity Financial agreed to a cease and desist order with the Arizona Corporation Commission. Following this agreement, the Arizona Corporation Commission referred this case to the Attorney General's Office for prosecution.

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